

### ***Control Variables***

In addition to race/ethnicity, welfare status, and banking relationship, each of the seven models of financial management, unless noted otherwise, includes the following other independent (i.e., control) variables:

*Marital Status.* Most of the empirical research on banking and credit use includes some measure of marital status. Canner and Luckett (as cited in Godwin, 1999, p. 68) found that divorced or separated heads of households were more likely than their married counterparts to report debt payment problems while Lea, Webley and Walker ([year]) report that debtors were more likely to “be women, to be employed part-time, to be housewives, to have more children in their households” (p. 691). Similarly, Bird et al. ([year]) found that among all U.S. households, married householders were much more likely than their unmarried counterparts to own at least one credit card, although there was little difference in the percent balances carried by each group. The same relationships held true among poor households (Bird, p. 11). In our analysis, we include four marital status categories: single female, single male, unmarried couples (the reference category), and married couples.

*Education.* This is measured by the highest degree of either the respondent or his or her spouse or partner, and has four categories: no high school degree, high school degree only, attended college, and college graduate or higher (reference category). Based on literature indicating that credit problems are a function of practical financial management skills and not formal education, we expect the relationship between our dependent variables and education to be nonlinear—credit impairment should be more frequent among those with the lowest levels of education, and among college-level families who use credit to compensate for their temporarily low (transitory) income.

*Age.* The life cycle theory and abundant empirical research suggest that age influences borrowing and debt accumulation. The literature confirms that the age of the head of a household relates significantly to debt repayment, with younger households much more